



# **Snow Emergency Loan (SEL) Application Manual**

Prepared by:  
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## INTRODUCTION

Recognizing that northern Wisconsin's tourism industry has again been severely impacted by a lack of snow and the loss of a significant number of such businesses will unquestionably have a long term negative impact upon Wisconsin's third largest industry sector, Governor Doyle, Commerce Secretary Nettles, and Tourism Secretary Shibilski have collaborated to create the Snow Emergency Loan (SEL) program.

This loan program will assist tourism-related businesses that can document a lack of snow has severely impacted their revenue. The funds will be used for up to twelve consecutive monthly debt service repayments to third party private sector lenders. This program will provide businesses, typically found in the more rural areas of Wisconsin's north woods, the long term working capital financing necessary to service its existing debt and stay in operation until the next snow season.

Recognizing that weather may again impact these businesses in the future, one requirement of this program is that all applicants work with the UW-Small Business Development Center (SBDC) to complete and submit a comprehensive tourism development and diversification plan. This partnership with the SBDC will provide small business owners the tools necessary to overcome weather-related cash flow problems in the future.

Applicants will be required to submit the tourism development and diversification plan to Commerce to receive the preferential interest rate of 2 percent per annum and a five-year loan term. If a completed plan is not received by Commerce within twelve months of the award, the loan will have 8 percent interest per annum and a three-year loan term.

Businesses that do not need the Snow Emergency Loan program but do need comprehensive tourism development and diversification planning assistance, may apply to Commerce for grant funds to help cover a portion of the cost of attending a new tourism diversification training course being developed by the UW-Small Business Development Center (SBDC). In addition to providing insight on the most recent developments in the tourism industry, this course will help participants develop comprehensive strategic plans that focus on business development opportunities.

It is anticipated that after completing the coursework, business owners will have a comprehensive tourism development and diversification plan that focuses on specific activities designed to diversify the company's revenue stream. The plan will also be critical to the applicant's ability to attract the private financing necessary to implement the plan.

## **APPLICATION PROCESS**

The Snow Emergency Loan (SEL) application process involves working with Commerce, current lenders, and county government. Applicants will be required to work with their lenders to complete and submit the application manual to Commerce no later than May 15, 2003. All projects with a complete application will be underwritten and notified of Commerce's funding decision no later than June 15, 2003.

These prequalified applicants will receive a commitment letter detailing the terms of the award. Commerce will work collaboratively with the applicants and the County Economic Development Professional to ensure that all approved projects are presented for discussion at the required public hearing and subsequently acted on at the next meeting of the County Board. Commerce, the applicant, and the county will then enter into a loan agreement that includes a promissory note and other loan documents. The funds will be disbursed from Commerce to the county. The county will then disburse the funds directly to the lender for monthly debt service.

## **SUMMARY INFORMATION**

### **A. ELIGIBLE APPLICANTS**

Eligible applicants are existing rural Wisconsin businesses\* located north of Highway 29 that have at least one full time job and not more than 50 full time jobs. The business must be able to document that it has been negatively impacted by a reduction in tourism sales due to the limited snowfall over the past three years.

Existing rural Wisconsin businesses\* located south of Highway 29 and north of Highway 10 will be reviewed on a case by case basis, with approval based upon eligibility and fund availability.

\*Businesses located within the city limits of Appleton, Eau Claire, Green Bay, Neenah, Superior, or Wausau are not eligible. These areas have diversified economies that are not dominated by tourism.

### **B. ELIGIBLE PROJECT COSTS**

These funds may only be used to cover 12 consecutive months of business related debt service that is currently owed to a private sector lending institution. Commerce will also provide a grant to cover the cost of attending the mandatory SBDC Tourism Development and Diversification program.

### **C. FUNDING AVAILABILITY**

#### **Loan**

The maximum funding available is \$20,000.

#### **Grant**

Commerce will provide a grant to cover the cost of attending the mandatory SBDC Tourism Development and Diversification program. Applicants will be required to develop a comprehensive tourism development and diversification plan and submit it to Commerce.

### **D. MATCH REQUIREMENT**

Applicants will be required to provide a dollar for dollar match from operating expenses for the total amount of the loan and grant.

### **E. TERMS AND CONDITIONS**

The loan terms shall be for five years with an annual interest rate of 2%. Monthly payments of principal and interest will begin 12 months after the award.

If the applicant does not participate in the SBDC Tourism Development and Diversification program and does not submit a comprehensive tourism development and diversification plan to Commerce within twelve months from the award, the loan term shall be reduced to three years with an annual interest rate of 8%.

**F. COLLATERAL**

All individuals with 20% or more ownership interest shall provide an unlimited personal guaranty for the loan.

**G. UNDERWRITING CRITERIA**

- Does the project serve a public purpose?
- Is the business tourism related?
- Can the business document significant declining sales and profits over the past three fiscal years that is snow related?
- How many jobs will be retained? What are the wage levels of these jobs?

**H. WHERE TO MAIL THE APPLICATION**

Please mail your completed application to:

**Department of Commerce  
Director of Business Finance  
201 W. Washington Avenue  
P.O. Box 7970  
Madison, WI 53707-7970**

**NOTE: ALL APPLICATIONS MUST BE POSTMARKED NO LATER THAN MAY 15, 2003.**

**INCOMPLETE APPLICATIONS WILL BE WITHDRAWN FROM CONSIDERATION FOR FUNDING.**

# WISCONSIN DEPARTMENT OF COMMERCE

## SNOW EMERGENCY LOAN APPLICATION

<b>BUSINESS INFORMATION</b>					
Legal Name:					
Type of Business :	<input type="checkbox"/> C Corp	<input type="checkbox"/> S Corp	<input type="checkbox"/> LLC	<input type="checkbox"/> LLP	<input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor
(Federal Employee Identification Number ) FEIN #:			State of Organization:		
Trade Name:					
Address:					
City, State, Zip:					
Location: <input type="checkbox"/> City <input type="checkbox"/> Town <input type="checkbox"/> Village Of:				County:	
Tele. #:			Fax #:		
WWW:					
CEO Name:			CEO Title:		
Individual To Contact Regarding Questions About The Project:					
Co. Contact:			Title:		
Address:					
City, State, Zip:					
Tele. #:			Fax #:		
Email Address:					
General Information					
Date Co. Established:			SIC or NAICS:		
Minority Owned: <input type="checkbox"/> No <input type="checkbox"/> Yes If Yes, the Minority Classification is:			<input type="checkbox"/> Eskimo	<input type="checkbox"/> Native Hawaiian	<input type="checkbox"/> Hispanic <input type="checkbox"/> Native American
			<input type="checkbox"/> Aleut	<input type="checkbox"/> Asian-Indian	<input type="checkbox"/> Asian-Pacific <input type="checkbox"/> African American
Women Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No			Owned by a Person with a Disability: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Total Co. Employment:			WI Employment:		
List All Current WI Locations if more than one:					

[illegible]

PROJECT BUDGET	
	TOTAL
Total Annual Debt Service Loan Requested from Commerce	
Tourism Development and Diversification Training Grant Requested from Commerce	
Matching Funds from the Business*	
TOTAL PROJECT BUDGET	
*Matching Funds must be at least a dollar for dollar match for the total loan and grant from Commerce. Matching funds can include working capital expenses such as payroll, rent, utilities, insurance, marketing, etc.	

EMPLOYMENT INFORMATION			
Average Hrly. Wage	Job Title	Total # of Employees	Full-Time/Part-Time Number of Employees
\$			<input type="checkbox"/> Full-time # of Employees _____  <input type="checkbox"/> Part-time # of Employees _____
			<input type="checkbox"/> Full-time # of Employees _____  <input type="checkbox"/> Part-time # of Employees _____
			<input type="checkbox"/> Full-time # of Employees _____  <input type="checkbox"/> Part-time # of Employees _____
			<input type="checkbox"/> Full-time # of Employees _____  <input type="checkbox"/> Part-time # of Employees _____
			<input type="checkbox"/> Full-time # of Employees _____  <input type="checkbox"/> Part-time # of Employees _____

BENEFIT INFORMATION			
	None	Individual	Family
Check (✓) the Type of Health Insurance Provided to Employees:			
Percent of Health Insurance Premium Paid by Company:		%	%
Average Deductible Paid by Employee:		\$	\$
Other Benefits Provided to the Majority of the Workforce: <input type="checkbox"/> Life Insurance <input type="checkbox"/> Pension <input type="checkbox"/> 401(k) <input type="checkbox"/> Tuition Reimbursement <input type="checkbox"/> Childcare Reimbursement <input type="checkbox"/> Other: (Specify)			

OWNERSHIP INFORMATION (unless publicly owned)		
Name: (First, Middle Initial, Last)	Social Security Number*	Ownership %:
1.		
2.		
3.		
4.		
All Others:		
		Total
		100%

\*Social Security Numbers are needed to run a credit bureau report on all with 20% or more ownership.

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**NOTE: All individuals that own 20% or more of the company must submit a signed and dated personal financial statement. A form is attached.**

HISTORICAL FINANCIAL INFORMATION				
DATE	FYE 2000 ____/____/____	FYE 2001 ____/____/____	FYE 2002 ____/____/____	____ months ending 3/31/03
Total Sales*				
Net Income				
Total Assets				
Total Liabilities				
Equity				
*% of total sales from November through March	%	%	%	%

[illegible]

**NOTE: To document the negative impact, you must submit copies of the businesses past three fiscal year-end historical financial statements plus the year-to-date interim statements ending 3/31/03. These must include detailed balance sheets, income statements, cash flow statements, and accountant's notes.**



COMPLETE THE FOLLOWING TABLE FOR EACH LENDING INSTITUTION THAT YOU OWE MONTHLY DEBT REPAYMENT AND ARE REQUESTING SNOW EMERGENCY LOAN ASSISTANCE

\*Make copies as necessary for each lending institution

Lending Institution Name				Address				
Contact Person Name and Title				Phone #		email address		
*Breakdown Of Debt Service								
Loan Number	TYPE	Purpose of loan	Original Loan Balance	Current Loan Balance	Monthly Payment	Interest Rate	Maturity Date	Collateral
	<input type="checkbox"/> Line of credit <input type="checkbox"/> Term <input type="checkbox"/> Mortgage							
	<input type="checkbox"/> Line of credit <input type="checkbox"/> Term <input type="checkbox"/> Mortgage							
	<input type="checkbox"/> Line of credit <input type="checkbox"/> Term <input type="checkbox"/> Mortgage							
	<input type="checkbox"/> Line of credit <input type="checkbox"/> Term <input type="checkbox"/> Mortgage							
	<input type="checkbox"/> Line of credit <input type="checkbox"/> Term <input type="checkbox"/> Mortgage							

The loan account(s) listed above have been established with this bank. I attest that all information listed above is true and correct.

\_\_\_\_\_

(Printed Name of Bank Officer)

\_\_\_\_\_

(Printed Title)

\_\_\_\_\_

(Signature of Bank Officer)

\_\_\_\_\_

(Date)

## CERTIFICATION STATEMENT

### *THE APPLICANT:*

1. Certifies that to the best of its knowledge and belief, the information being submitted to Commerce is true and correct.
2. Certifies that the Department is authorized to obtain a credit check on the applicant, the business and/or the individual(s).
3. Understands that unless it qualifies as trade secret, all information submitted to Commerce is subject to Wisconsin's Open Records Law.

The applicant requests that Commerce treat the following items as TRADE SECRET:

	<u>Yes</u>	<u>No</u>	<u>NA</u>
A. Personal financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Personal or business tax returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Historical business financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Business financial projections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Plan or study to be funded by Commerce.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If Section 3 is left blank then all information provided to Commerce will be open to examination and copying.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
**(Authorized Representative)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
**(Authorized Representative)**

# APPLICANT PERSONAL FINANCIAL STATEMENT

*Submitted to:*

## WISCONSIN DEPARTMENT OF COMMERCE

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ASSETS		LIABILITIES	
Cash (Schedule 1)	\$	Secured Notes Payable (Sch. 5)	\$
Listed Securities (Schedule 2)		Unsecured Notes Payable (Sch.5)	
Unlisted Securities (Schedule 3)		Accounts Payable	
Real Estate Owned (Schedule 4)		Unpaid Income Taxes	
Automobiles		Real Estate Mortgages (Sch. 4)	
Personal Property		Real Estate Taxes	
Cash Value Life Insurance		Credit Cards	
Vested Profit Sharing/Pension		Other Debts (list below)	
Other Assets (list below)			
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>TOTAL LIABILITIES</b>	<b>\$</b>

<b>INCOME:</b>	
Salaries/bonuses	
Dividends/interest	
Other:	
<b>HOUSEHOLD INCOME: (Taken Off Of Most Recent Federal Tax Form 1040)</b>	
Total Number of Exemptions Claimed [Line 6 (d) from Federal Tax Form 1040]	
Total Adjusted Gross Income [Line 35 from Federal Tax Form 1040]	
<b>CONTINGENT LIABILITIES:</b>	
Endorser/Co-maker/Guarantor	
Legal Claims	
Other:	

\$

## Schedule 1 Cash and Equivalents

Type	Financial Institution	Amount	Account Name	PLEDGED?

## Schedule 2 Listed Securities

Cost	Description	Market Value	Account Name	PLEDGED?

## Schedule 3 Unlisted Securities

Cost	Description	Market Value	Account Name	PLEDGED?

## Schedule 4 Real Estate Owned

Property Type and Address	Cost	Market Value	Mortgage

## Schedule 5 Notes Payable

Secured?	Financial Institution	Original Balance	Current Balance	Date Due

Are you a defendant in any legal actions or suits? ☐ Yes ☐ No If yes, describe: \_\_\_\_\_

Have you ever been declared bankrupt? ☐ Yes ☐ No If yes, describe: \_\_\_\_\_

Are you delinquent in any payment of taxes? ☐ Yes ☐ No If yes, describe: \_\_\_\_\_

**Applicant understands submitting false or misleading information in connection with an application may result in the applicant being found ineligible for financial assistance under the funding program and may be subject to civil and/or criminal prosecution.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date